

Message Text

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46

ACTION EUR-25

INFO OCT-01 EA-11 IO-14 ISO-00 SSO-00 NSCE-00 USIE-00

INRE-00 CIAE-00 DODE-00 PM-07 H-03 INR-10 L-03

NSAE-00 NSC-10 PA-04 RSC-01 PRS-01 SPC-03 SS-20

ACDA-19 AID-20 CEA-02 COME-00 EB-11 FRB-02 CIEP-02

STR-08 TRSE-00 LAB-06 SIL-01 OMB-01 AGR-20 TAR-02

INT-08 DRC-01 /216 W

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FM USMISSION EC BRUSSELS

TO SECSTATE WASHDC IMMEDIATE 5993

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS UNN

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY THE HAGUE

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY ROME

USMISSION OECD PARIS UNN

USMISSION GENEVA

AMEMBASSY TOKYO

C O N F I D E N T I A L EC BRUSSELS 6347

E.O. 11652: GDS

TAGS: EEC, ETRD, GATT, US

SUBJ: EBERLE MEETING WITH SOAMES AND GUNDELACH -- THE
TRADE BILL AND ARTICLE XXIV:6 NEGOTIATIONS

REF: EC BRUSSELS 6314

1. SUMMARY. IN A MEETING WITH EC COMMISSIONERS

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SOAMES AND GUNDELACH, EBERLE (A) ADVISED THEM IN

CONFIDENCE OF THE IMPENDING ANNOUNCEMENT OF DELAY IN HOUSE CONSIDERATION OF THE TRADE BILL; (B) REVIEWED WITH THEM ON A TENTATIVE BASIS IMPLICATIONS OF THE DELAY FOR MTN PREPARATIONS; AND (C) DISCUSSED THE SITUATION REGARDING ARTICLE XXIV:6. THE COMMISSIONERS' INITIAL REACTION TO THE NEWS ON THE TRADE BILL WAS ONE OF SHARP DISAPPOINTMENT AND REGRET BUT AN INTEREST IN BEING AS HELPFUL AS POSSIBLE IN HANDLING IMMEDIATE SITUATION. SOAMES SAID THERE IS NO BLINKING THE FACT THAT THIS WILL MEAN A SUBSTANTIAL LOSS OF MOMENTUM IN MTN PREPARATIONS ALTHOUGH HE CONCEDED THAT THE GENEVA MACHINERY SHOULD BE KEPT TURNING OVER SLOWLY. ON ARTICLE XXIV:6, SOAMES AND GUNDELACH SPOKE ALONG LINES OF THE REFTEL; EMPHASIZED THE SUBSTANTIAL EFFORT THEY ARE MAKING TO MOVE AHEAD ON THIS ISSUE; AND STRONGLY URGED THAT THE US NOT RPT NOT REACT PUBLICLY IN ANY WAY UNTIL THE COMMUNITY OFFER IS COMPLETED AND PRESENTED TO US -- HOPEFULLY WITHIN THE NEXT TWO WEEKS. EBERLE AGREED ON THE LATTER POINT BUT EMPHASIZED OUR DESIDERATA WITH REGARD TO BOTH SUBSTANCE AND TIMING. END SUMMARY.

2. ON NOVEMBER 7, AMBASSADOR EBERLE LUNCHEDED WITH EC COMMISSIONERS SOAMES AND GUNDELACH. (HARTMAN AND MYERSON WERE PRESENT FROM USEC, AND HIJZEN AND HANNAY FROM THE COMMISSION.) EBERLE ADVISED THE EC COMMISSION PARTICIPANTS IN STRICT CONFIDENCE OF THE NEWS -- EXPECTED TO BE ANNOUNCED WITHIN A MATTER OF HOURS -- THAT THE ADMINISTRATION HAD RELUCTANTLY CONCLUDED IT SHOULD REQUEST POSTPONEMENT OF HOUSE ACTION ON THE TRADE BILL. HE EXPLAINED THE BACKGROUND RELATED TO THE MFN AND CREDIT PROVISIONS FOR THE SOVIET UNION IN THE CONTEXT OF THE MIDDLE EAST CRISIS.

3. SOAMES AND GUNDELACH REACTED WITH EXPRESSIONS OF KEEN DISAPPOINTMENT AND TENTATIVELY CONCLUDED -- IN VIEW OF EBERLE'S EXPLANATION OF A POSSIBLE NEW CONGRESSIONAL TIMETABLE -- THAT SUBSTANTIVE NEGOTIATIONS WILL PROBABLY NOT BE POSSIBLE IN GENEVA UNTIL ABOUT THE CONFIDENTIAL

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BEGINNING OF 1975. (THIS ASSUMES THAT SIX MONTHS ARE REQUIRED FOR US INTERNAL PROCEDURES AFTER ENACTMENT OF A TRADE BILL.)

4. SOAMES INDICATED THAT HE WOULD URGE UPON THE COMMISSION A PUBLIC POSTURE COMBINING REGRET WITH CONTINUED COMMITMENT TO THE GOAL OF TRADE NEGOTIATIONS AND A HOPE THAT FORWARD MOVEMENT CAN BE RESUMED AS

SOON AS POSSIBLE.

5. SOAMES SAID THAT WE SHOULD NOT DELUDE OURSELVES. THERE IS NO WAY TO KEEP UP MUCH MOMENTUM IN GENEVA FOR A SOLID YEAR BEFORE SUBSTANTIVE NEGOTIATIONS BEGIN. ATTEMPTS TO DO SO COULD EVEN BOOMERANG BY SPARKING USELESS SQUABBLES BETWEEN THE MAJOR GATT PARTNERS. UNDER GENTLE PRODDING FROM GUNDELACH, HANNAY, AND HIJZEN, SOAMES RECOGNIZED THAT IT MIGHT BE POSSIBLE TO KEEP THE MACHINE TICKING OVER QUIETLY. EBERLE AND SOAMES AGREED THAT BOTH SIDES SHOULD REFLECT FURTHER ON IMPLICATIONS OF THE TRADE BILL DELAY AND BE BACK IN TOUCH BEFORE THE END OF THE WEEK. EBERLE SAID THAT HE ALSO EXPECTED TO SEE GATT DIRECTOR GENERAL LONG LATER THIS WEEK TO CONSIDER HOW TNC WORK SHOULD BE HANDLED IN THE NEAR TERM.

6. SOAMES REFERRED TO RECENT FRICTIONS THAT HAVE DEVELOPED IN US/EC RELATIONS, NOTABLY AT THE LAST TNC MEETING. IN THIS CONNECTION, HE AND EBERLE AGREED THAT CAREFUL MANAGEMENT AND CLEAR COMMUNICATIONS WILL NOW BE EVEN MORE IMPORTANT THAN EVER. SOAMES PLEADED FOR THE US NOT TO MAKE ITS COMPLAINTS PUBLIC THROUGH THE PRESS BEFORE DISCUSS
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